GOVERNMENT OF INDIA
INFORMATION AND BROADCASTING
LOK SABHA

UNSTARRED QUESTION NO:1706
ANSWERED ON:11.03.2008
MEASURES TO CURB PIRACY
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Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) whether the entertainment sector has been suffering losses due to piracy;

(b) if so, the total amount of losses suffered during each of the last three years till date;

(c) whether any study group has been set up on this issue;

(d) if so, the details of recommendations made by the said group; and

(e) the action taken by the Government on these recommendations?

Answer

THE MINISTER OF INFORMATION & BROADCASTING AND PARLIAMENTARY AFFAIRS (SHRI P.R. DASMUNSI)

(a) & (b): Yes Sir. The entertainment sector has been suffering losses due to piracy. However, the entertainment sector in India is largely in private hands. This Ministry does not maintain data regarding he amount of losses.

(c) & (d): A Core Group had been set up in 2006, comprising representatives from the film industry under the Chairpersonship of Ms. Shabana Azmi to look into the issue of piracy. The recommendations of the Core Group regarding piracy are as follows:

i) Constitution of an Inter-Ministerial Group (Min. of I&B, Information Technology, Human Resource Development, Law, Justice and Company Affairs, Telecommunications and Home Affairs) for recommendations to Cabinet on policy and legal matters concerning anti-piracy measures.

ii) Min. of HRD have assigned collective administration of copyrights of film and TV serials to Society for Copyright Regulations of Indian Producers of Film & Television (SCRIPT) which is practically non-functional, therefore, industry was unable to get the benefit of public performance of cinematograph films.

iii) Designated special courts to be set up for dealing with criminal cases related to piracy of films. Courts may be designated to deal exclusively with film piracy matters under the Criminal Procedure Code.

iv) Economic Offence Cell (special police cell) be set up in every city to deal with piracy.

v) Legislation may be effected to enable implementation of the Optical Disc Law (in accordance with the model legislation recommended by the International Intellectual Property Alliance). It is also recommended that the actual user condition for import of Optical Disc Production Equipment be made stringent. A restriction on imports of Optical Disk Equipment by producers owning less than a minimum number title of films may be included in the Import Export Policy as an anti-piracy measure.

vi) Certificate be made valid for all formats in perpetuity, as against the current practice for theatrical release/video etc. for a period of 10 years. Display of certificate number and category on any electronic format and device should be treated as valid proof of Certification. A colour code be adopted instead of printing Certificate on home videos as reduction of an A4 size certificate to fit the CD inlay card is creating its own anti-piracy problems.

vii) The Government may consider exclusive tax benefits for creation of Digital Cinema Infrastructure, with a view to enabling reduction of piracy, like an Income tax holiday under Section 80 IB of the Income Tax Act, 100% depreciation benefits on equipment and exemption from Customs Duty on import of equipment pertaining to Digital Cinema theatres (Digital Projector and Digital Movie Compressor). It is also recommended that exemption from payment of service tax may be given to digital cinema opertors and distributors to persuade an impetus to this sector. The Ministry of Law, Justice & Company Affairs may also recommend exemption from Lease Tax on rent of digital equipment (which is being levied presently) to State Governments.

(e) Steps taken on the recommendations of the Core Groups are as follows:

i) Department of Industrial Policy & Promotion has formed an Inter-Ministerial Committee regarding issues pertaining to Intellectual Property Rights and Piracy. Similarly, Ministry of HRD also regularly holds meetings with different Ministries and stakeholders in

matters of copy right.

ii) The recommendations relating to the administration of copyright of films and television serials by a society called "Society for Copyright Regulations of Indian Producers of Film & Television" (SCRIPT) have been referred to Ministry of Human Resource Development for further necessary action.

iii) The recommendations regarding designated special courts and setting up of economic offence cell are being taken up with the State Government in the meeting of sub-group constituted as per the recommendation of SIMCON.

iv) This Ministry is examining an Optical Disc Law draft prepared by FICCI.

v) This Ministry is currently considering modification/ amendment of Cinematograph Act 1952.

vi) The Finance Act 2007 had given the status of 'Project' to digital cinema with customs duty at 7.5% (proposed custom duty at 5% in Finance Bill 2008) and exempted the transmission of digital content of the cinematograph film from payment of Service Tax.